



State Capitol | Lansing, Michigan 48913

PH (517) 373.2420 | FAX (517) 373.2764

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For Immediate Release  
Dec. 12, 2006

Contact: Maleigh Jackson  
517-373-2420

## **Senate passes legislation fostering competition and investment in the cable television industry**

**Industry leaders expected to invest billions of dollars and hire more than 4,000 workers**

**LANSING**—The Senate today approved legislation that opens up competition for local communities' cable and video-service franchises, ending decades of near monopolies in the industry. House Bill 6456 is expected to lower cable rates for consumers and stimulate thousands of jobs and billions in investment in the state.

“This bill could not have come at a better time for Michigan’s economy,” said state Sen. Valde Garcia, R-Howell. “As cable franchises become more competitive, consumers will see lower rates and the state will see an influx of jobs and investment.”

The bill is designed to create a system of uniform local franchising for video service providers, leveling the playing field for franchise rights. It will promote competition and lower cable rates by fostering quicker deployment of services and streamlined governmental oversight, said Garcia.

AT&T has stated it will invest up to \$1.2 billion in Michigan and hire as many as 2,000 people in the next two to three years if the bill becomes law. The cable industry has indicated it will hire 2,000 workers. The industry has invested \$5 billion in Michigan since 1996 in preparation for this legislation.

Under the proposal, cable companies will no longer need to negotiate 1,200 separate cable agreements for municipalities throughout the state. Instead, a uniform franchise agreement could be in place in 30 days.

There has been little competition in the cable industry because of the prohibitive costs to build the infrastructure necessary to serve a community. This lack of competition has hurt Michigan consumers. From 1991 to 2006, cable rates in Detroit increased annually nearly 38 percent above the rate of inflation (on a per-channel basis).

New technologies have changed the cable landscape. Today companies can deliver high-speed Internet access and digital television channels in ways that weren’t available a few years ago. Legislators said it was time to update the law to reflect the new technologies surrounding video service delivery.

“As I reviewed the bill, I had three areas of criteria that had to be met before I could support this legislation,” Garcia said. “It was important to me that the bill increased competition, protected the right-of-way provisions for local governments, and continued to protect the financial agreements local municipalities currently hold. In my opinion, this legislation successfully met all of my specifications and creates jobs for Michigan.”

HB 6456 was concurred in in the House and now goes to the governor for her signature. Once it is signed into law, the bill will go into effect on Jan. 1.

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